

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	19217	Agenda Number	37.
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Meeting Date:	October 18, 2012
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Department:	Purchasing
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## Subject

Authorize award and execution of a 36-month requirements service contract with GREENVILLE TRANSFORMER CO. INC. for the refurbishment of distribution transformers for Austin Energy in an estimated amount not to exceed \$177,699, with three 12-month extension options in an estimated amount not to exceed \$59,233 per extension option, for a total estimated contract amount not to exceed \$355,398.

## Amount and Source of Funding

Funding in the amount of \$59,233 is available in the Fiscal Year 2012-2013 Operating Budget of Austin Energy. Funding for the remaining 24 months of the original contract period and extension options is contingent upon available funding in future budgets.

## Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	Lowest bid received.
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Prior Council Action:	
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For More Information:	Gabriel Guerrero, Buyer II / 322-6060
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Boards and Commission Action:	To be reviewed by the Electric Utility Commission on October 15, 2012.
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MBE / WBE:	This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority Owned and Women Owned Business Enterprise Procurement Program) No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.
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Related Items:	
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## Additional Backup Information

This contract will provide for the refurbishment of pole mount, pad mount and network distribution transformers on an as-needed basis. Faulty transformers taken out of service are evaluated by Austin Energy to determine whether repair or replacement is necessary. The assessment is based on the type of material used in the transformer, its age, and if it is a model currently used by Austin Energy.

This contract will include testing and repairing transformers for reuse as well as transportation of the equipment to and from the repair facility. The refurbished distribution transformers will then be returned to service through Austin Energy's Kramer and St. Elmo warehouses.

Distribution transformers reduce the primary voltage of the electric distribution system down to utilization voltage serving the customer.

MBE/WBE solicited: 0/0

MBE/WBE bid: 0/0

### **BID TABULATION**

IFB No. GGU0102

Refurbished Transformers Annual Price Agreement  
(30 Line Items)

<b><u>VENDOR</u></b>	<b><u>Total Annual Award</u></b>
Greenville Transformer Company, Inc. Greenville, TX	\$59,233
Soloman Corp. Soloman, KS	\$65,635
Alamo Transformer Supply Co. San Antonio, TX	\$88,273

A complete bid tabulation is on file in the Purchasing Office and is on the City of Austin, FASD Purchasing Office website.

### **PRICE ANALYSIS**

- Adequate competition.
- Eighty-seven notices were sent. There are no known MBE/WBE's for this commodity code. Three bids were received.
- The pricing offered represents a 43.35% increase to the last contract award in November 2006. The increase is due to higher cost of material including transformer parts and is in line with the corresponding price index for the materials.

### **APPROVAL JUSTIFICATION**

- Lowest bid received. Greenville Transformer Company, Inc. is the current provider of these services.
- The Purchasing Office concurs with Austin Energy's recommended award.
- Advertised on the Internet.

